

SENATE BILL 3486

By Tate

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18 and Title 55, relative to consumer
protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 17, Part 1, is amended by
adding the following language as a new, appropriately designated section:

55-17-1__.

(a) No motor vehicle dealer shall facilitate the servicing of an auto loan for the purchase of a vehicle to a consumer unless the motor vehicle dealer receives written documentation from the consumer evidencing that the consumer has access to a reliable source of income that will enable the consumer to make payments on the loan. For purposes of this section, "written documentation" includes bank statements, a letter from the consumer's bank on official letterhead dated within the previous thirty (30) days stating the consumer's available funds, federal tax returns from the immediately preceding two (2) years, thirty (30) days worth of pay stubs, a letter from the consumer's employer on official letterhead dated within the previous thirty (30) days stating the consumer's salary or hourly wage and length of service.

(b) Motor vehicle dealers shall maintain the documentation described in subsection (a) for a minimum of seven (7) years from the date of sale of the vehicle. Such records shall also include the amount and details of the auto loan facilitated by the motor vehicle dealer.

(c) A violation of this section shall subject the motor vehicle dealer to:

- (1) License suspension until the violation is remedied; and
- (2) The penalties provided in § 55-17-117.

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 17, Part 3, is amended by adding the following language as a new, appropriately designated section:

55-17-3__.

(a) No automotive mobility dealer shall facilitate the servicing of an auto loan for the purchase of a vehicle to a consumer unless the automotive mobility dealer receives written documentation from the consumer evidencing that the consumer has access to a reliable source of income that will enable the consumer to make payments on the loan. For purposes of this section, "written documentation" includes bank statements, a letter from the consumer's bank on official letterhead dated within the previous thirty (30) days stating the consumer's available funds, federal tax returns from the immediately preceding two (2) years, thirty (30) days worth of pay stubs, a letter from the consumer's employer on official letterhead dated within the previous thirty (30) days stating the consumer's salary or hourly wage and length of service.

(b) Automotive mobility dealers shall maintain the documentation described in subsection (a) for a minimum of seven (7) years from the date of sale of the vehicle. Such records shall also include the amount and details of the auto loan facilitated by the automotive mobility dealer.

(c) A violation of this section shall subject the automotive mobility dealer to:

- (1) License suspension until the violation is remedied; and
- (2) The penalties provided in § 55-17-117.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.